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HOW THE AMA BUYS FOOD

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Interview by Arthur C. Bartlett, Chief, Marketing Reports Division, Agricultural Marketing Administration, and Wallace L. Kadderly, Radio Service, broadcast in the Department of Agriculture's portion of the National Farm and Home Hour, Thursday, August 20, 1942, over stations associated with the Blue Network.

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KADDERLY:

This is Wallace Kadderly in Washington where today we're going to talk about food--food purchases--by the Department of Agriculture--and Victory Gardens. A big part of the Wartime job of the Department's Agricultural Marketing Administration is the purchase of immense quantities of food for our allies. These purchases amount to between 5 and 6 million dollars a day, and include a list of some 300 farm products. Arthur C. Bartlett, Chief of the Marketing Reports Division of the Agricultural Marketing Administration will give us an idea of how the AMA buys this food.

BARTLETT:

Wallace, I'll bet that it would take you some time to name a farm product that isn't in some way included on our list of purchases.

KADDERLY:

Guess it would, Arthur. Three hundred farm products is a pretty inclusive list. But how do you buy them?

BARTLETT:

Well, first we try to plan our buying so it will make sense. We've planned the purchasing programs for the British and the Russians a year in advance. Then at least once a week, we sit down with the British and Russians and talk over the schedule - see what standing needs have been modified, what new ones have come up. The situation keeps changing, of course, particularly when you are feeding armies in active combat; - but in general, we can get a pretty good idea of what foods are most vital, and about how much can be bought and shipped in a given period of time. You see, we've got to be prepared to fill cargo ships - with the right food - as soon as they get to port. That means that we have to have a lot of stuff on hand at a lot of different points. So naturally, we have to do our buying in very large quantities. We always speak in tons--even for samples.

KADDERLY:

Since you buy in such large lots - what plan do you follow?

BARTLETT:

The actual buying is usually done something like this. The AMA will announce what it wants to buy, what the specifications are, and how much it wants. This information is sent to the trade, cooperatives, wholesalers, the big handlers who can deal in our quantity.

KADDERLY:

Then what happens?

BARTLETT:

If the offers we receive are acceptable - a contract results when we notify the sellers and then they begin to deliver the goods. To supplement these purchases the AMA sometimes sets a specified price at which it will buy certain foods. Sellers simply meet our terms and the deal is completed.

KADDERLY:

How much food has the Agricultural Marketing Administration bought to date for our Allies?

BARTLETT:

We figured out the other day that if we were to load all the food we have bought since last March on ships--and they didn't take on anything else, it would fill a thousand ships--one thousand medium cargo ships.

KADDERLY:

That is a lot of food. Shows that the farmers are really doing a job.

BARTLETT:

It certainly does.

KADDERLY:

Well, there's another point I'd like you to clarify for us, Arthur. It's the matter of reservation - I mean, reservations for food. For instance, I understand the entire 1942 canned fish pack has been reserved for the AMA.

BARTLETT:

Yes, WPB has issued an order to that effect. That's to make sure that the supply needed for our armed forces and our Allies will be available. It's like priorities. We reserve the whole pack - transfer to the Army and Navy what they need - buy for the armed forces of our Allies - and then turn back for the civilian trade what we're reasonably sure will not be needed for military purposes. The pack of dried fruits has just been reserved, too, by WPB. Probably there will be more of these reservation orders as the war goes on. A less drastic way is merely to ask the trade to sell us a certain percentage of their production. We have done that in the case of port--asked for 40 percent.

KADDERLY:

That brings us to the question of how farmers fit into the picture. Since you don't buy much food directly from farmers, we'd like to know just how they are affected by the program.

BARTLETT:

Actually we do buy food directly from farmers.

KADDERLY:

But not for Lend-Lease supplies.

BARTLETT:

That's true. But we do contact them directly for our other food needs. For example - we buy several million pounds of farm products for direct distribution to public aid families and for the School Lunch Program.

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KADDERLY:

How do you make these purchases?

BARTLETT:

When we know that abundant supplies of the foods we need exist in a particular section, we set up a local purchase program. Our buyers then buy directly from farmers, from farmers' markets, from cooperatives or regular commercial wholesalers.

KADDERLY:

That is primarily to support prices, isn't it - in cases where there might be gluts or other marketing difficulties?

BARTLETT:

Yes -- but, for that matter, all our buying activity is reflected on the food markets throughout the country. It tends to support farm prices by expanding demand and widening markets. In all of the purchasing activities of the AMA one of the principal objectives is to secure the full use of our entire food supply. At the same time, we try to iron out our marketing irregularities that may penalize rather than reward farmers for their patriotic response to the call for more food - now.

KADDERLY:

Then, we can say that although comparatively few farmers sell directly to the AMA, the effects of AMA purchase programs are felt in the regular farm markets.

BARTLETT:

That's it exactly.

KADDERLY:

(Ad lib conclusion).

